

FISCAL NOTE

HB 2624 - SB 2937

February 16, 2004

SUMMARY OF BILL: Requires the Commissioner of the Department of Finance and Administration to initiate an audit performed by a licensed independent CPA or accounting firm with experience in auditing private and governmental institutions.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$500,000

Other Fiscal Impact - Increase Federal Expenditures - Not Significant

Estimate assumes:

- There would be some impact on federal expenditures because agencies are eligible for reimbursement for the administrative costs associated with federal grants.
- Massachusetts with a total state budget similar to Tennessee (\$23,000,000,000 in Massachusetts vs. \$20,400,000,000 in Tennessee) spent approximately \$1,500,000 on similar audit reports.
- Since the language of the bill does not specifically state that audit reports currently done by the state will no longer be conducted, it is assumed that they will continue to be performed. Therefore, there would be no reduction in state expenditures associated with this legislation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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